

**Office of Retirement Services**

P.O. Box 30171

(800) 381-5111 (Lansing area 322-5103)

Lansing MI 48909-7671

www.michigan.gov/ors

Payoff Payment Options for a TDP Agreement

for employees terminating employment or retiring

Coordinate the payoff of your TDP (tax-deferred agreement) with the Office of Retirement Services (ORS).

RETIREMENT SYSTEM (SELECT ONE) <input type="checkbox"/> Public School Employees <input type="checkbox"/> State Employees	TDP AGREEMENT NUMBER
NAME	SOCIAL SECURITY NUMBER
MAILING ADDRESS	RETIREMENT/TERMINATION DATE
CITY, STATE, ZIP CODE	DAYTIME PHONE NUMBER

Payment Options: (Choose one or more) Use the *TDP Agreement Payoff Worksheet (R522X)* to determine your payments.

- ☐ **One-time lump sum payroll deduction.** I wish to apply a **one-time lump sum payroll deduction** for the pay period ending _____ in the amount of \$_____ added to my normal scheduled deduction amount of \$_____ for a total deduction of \$_____ against my existing TDP agreement. I understand that the payments made through payroll deduction must be made with pretax funds treated as an employer pick-up. *Work with your payroll official to ensure the deduction is made. Your payroll official must sign below.*
- Payroll Officer Signature: _____ Date: _____
- ☐ **Plan-to-plan transfer.** I wish to apply a **plan-to-plan transfer** from a qualified retirement plan (401(a), 401(k), 403(b), or 457 account) in the amount of \$_____ against my existing TDP agreement. I have initiated the transfer with my plan administrator for an amount *not exceeding* the balance on my TDP agreement. *Send your completed Qualified Plan-to-Plan Transfer Certification (R158X) with this form.*
- ☐ **Direct payment.** I wish to make a **direct after-tax payment** on my existing TDP agreement. I am enclosing a check or money order in the amount of \$_____ made payable to *State of Michigan-ORS*. *Include your name and social security number on your check or money order.*

Terms of Payoff:

- I understand that to be eligible to pay off my TDP agreement, I must: (1) have filed a valid retirement application; or (2) have a bona fide termination of employment within 90 days after ORS receives payment. This means that I must retire in accordance with the retirement application previously filed with ORS, or I must otherwise completely sever my employment relationship.
- I understand that I do not have a bona fide termination if I am rehired in the same retirement system within 30 days of my termination date, or I terminate employment with the intent or prearrangement to be rehired by an employer in the same retirement system.
- I understand that I must coordinate the payoff of my TDP balance with ORS.
- I understand that all payments (except final payroll deduction amounts) must be received by ORS before I terminate employment. I understand that if my payment(s) are received after I terminate employment or if I do not have a bona fide termination, my payment(s) could be returned to me, which could result in taxes and penalties on the refunded transferred amount.
- I understand that the TDP agreement may not be satisfied if the balance is not paid in full and that I could receive a prorated amount of service credit (where incremental years can be purchased), or possibly no service credit (where the purchase requires full payment).
- I understand that ORS will notify my employer so that my TDP balance can be reduced accordingly.

I understand the terms outlined above for the payoff of my TDP agreement balance.

MEMBER SIGNATURE	DATE
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For a one-time lump sum payroll deduction and/or a plan-to-plan transfer, return this form and any necessary forms to ORS at the above address, **unless** you are also making a direct payment. **Return your direct payment with this form to:**

Office of Retirement Services, Finance Division, PO Box 30673, Lansing, MI 48909-8173.